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SENATE BILL 181

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO EDUCATIONAL RETIREMENT; INCREASING EMPLOYER
CONTRIBUTIONS; CHANGING ELIGIBILITY REQUIREMENTS FOR MEMBERS
INITIALLY EMPLOYED AFTER JULY 1, 2005.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-11-21 NMSA 1978 (being Laws 1967,
Chapter 16, Section 144, as amended) is amended to read:

"22-11-21. CONTRIBUTIONS--MEMBERS--LOCAL ADMINISTRATIVE
UNITS.--

A. Each member shall make contributions to the fund
in the amount of seven and six-tenths percent of ~~[his]~~ the
member's annual salary.

~~[B. Until June 30, 1993, each local administrative
unit shall make a yearly contribution to the fund of a sum
equal to seven and six-tenths percent of the annual salary of
.152801.3~~

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1 ~~each member employed by the local administrative unit.~~

2 ~~C. Beginning July 1, 1993 and thereafter, each~~
3 ~~local administrative unit shall make a yearly contribution to~~
4 ~~the fund of a sum equal to eight and sixty-five hundredths~~
5 ~~percent of the annual salary of each member employed by the~~
6 ~~local administrative unit.]~~

7 B. Each local administrative unit shall make an
8 annual contribution to the fund according to the following
9 schedule:

10 (1) through June 30, 2005, a sum equal to
11 eight and sixty-five hundredths percent of the annual salary of
12 each member employed by the local administrative unit;

13 (2) from July 1, 2005 through June 30, 2006, a
14 sum equal to nine and forty hundredths percent of the annual
15 salary of each member employed by the local administrative
16 unit;

17 (3) from July 1, 2006 through June 30, 2007, a
18 sum equal to ten and fifteen hundredths percent of the annual
19 salary of each member employed by the local administrative
20 unit;

21 (4) from July 1, 2007 through June 30, 2008, a
22 sum equal to ten and ninety hundredths percent of the annual
23 salary of each member employed by the local administrative
24 unit; and

25 (5) on and after July 1, 2008, a sum equal to

. 152801. 3

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1 eleven and sixty-five hundredths percent of the annual salary
2 of each member employed by the local administrative unit."

3 Section 2. Section 22-11-23 NMSA 1978 (being Laws 1981,
4 Chapter 293, Section 2, as amended) is amended to read:

5 "22-11-23. RETIREMENT ELIGIBILITY--MEMBERS EMPLOYED PRIOR
6 TO JULY 1, 2005. --

7 A. The provisions of this section apply to a member
8 whose initial employment for a local administrative unit began
9 prior to July 1, 2005.

10 [~~A.~~] B. On and after July 1, 1984:

11 (1) a member shall be eligible for retirement
12 benefits pursuant to the Educational Retirement Act when either
13 of the following conditions occurs:

14 (a) the sum of the member's age and
15 years of earned service-credit equals seventy-five; or

16 (b) upon completion of five years of
17 earned service-credit and upon becoming sixty-five years of
18 age;

19 (2) a member under sixty years of age eligible
20 to retire under Paragraph (1) of this subsection may retire and
21 receive retirement benefits pursuant to the Educational
22 Retirement Act that [~~he~~] the member would be eligible to
23 receive if [~~he~~] the member were to retire at the age of sixty
24 years reduced by six-tenths of one percent for each one-fourth,
25 or portion thereof, year that retirement occurs prior to the

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1 member's sixtieth birth date but after the fifty-fifth birth
2 date, and one and eight-tenths percent for each one-fourth, or
3 portion thereof, year that retirement occurs prior to age
4 fifty-five; or

5 (3) a member under sixty years of age
6 acquiring twenty-five or more years of earned and allowed
7 service-credit may retire and receive retirement benefits
8 pursuant to the Educational Retirement Act computed on the same
9 basis as if the member were sixty years of age.

10 [~~B.~~] C. A member shall be subject to the provisions
11 of Paragraphs (2) and (3) of Subsection [A] B of this section
12 as they existed at the beginning of [~~his~~] the member's last
13 cumulated four quarters of earned service-credit, regardless of
14 later amendment. "

15 Section 3. A new section of the Educational Retirement
16 Act, Section 22-11-23.1 NMSA 1978, is enacted to read:

17 "22-11-23.1. [NEW MATERIAL] RETIREMENT ELIGIBILITY--
18 MEMBERS INITIALLY EMPLOYED ON OR AFTER JULY 1, 2005.--

19 A. The provisions of this section apply to a member
20 whose initial employment for a local administrative unit began
21 on or after July 1, 2005.

22 B. A member shall be eligible for retirement
23 benefits pursuant to the Educational Retirement Act when either
24 of the following conditions occurs:

25 (1) the sum of the member's age and years of

1 earned service-credit equals eighty; or

2 (2) upon completion of five years of earned
3 service-credit and upon becoming sixty-five years of age.

4 C. A member under sixty years of age who meets the
5 requirement of Paragraph (1) of Subsection B of this section
6 may retire and receive retirement benefits pursuant to the
7 Educational Retirement Act computed on the same basis as if the
8 member were sixty years of age. "

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